

LARQ S.A.

CURRENT REPORT 16/2017

Subject:

Execution of the Agreement for Subscription of Series H Shares Issued within the Authorised Capital

General Legal Basis:

Article 17 (1) of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

Text of Report:

With reference to the Current Report 15/2017, the Management Board of LARQ S.A. of Warsaw (hereinafter: the “**Issuer**” or the “**Company**”) hereby informs that, on 18 April 2017, the private placement was held for **370,000** ordinary bearer shares of series H in the Company (“**Shares**”). The Shares were issued by the Issuer based on the resolution passed by the Management Board of the Company on 18 May 2017 regarding the increase of the Company’s share capital up to the authorised capital, through issuance of fresh shares for private placement, with dis-application of subscription rights of the existing shareholders, and amendments to the the Articles of Association of the Company (hereinafter: the “**Increase Resolution**”). The issue price per share was PLN 17.00 and the total value of the Share issue is **PLN 6,290,000**.

For the subscription of the Shares, the agreement was made on 18 May 2017 for subscription of 370,000 Shares (i.e. all shares offered for subscription) to one of major institutional investors at the Warsaw Stock Exchange.

Upon registration of the share capital increase by the registration court, the Issuer’s share capital will be **PLN 770,450** (seven hundred seventy thousand four hundred fifty zlotys) and will be divided into **7,704,500** (seven million seven hundred four thousand five hundred) shares of a par value of PLN 0.10 (ten grosz) each.

The Shares will be dematerialised and then their admission to trading on the regulated market operated by the Warsaw Stock Exchange will be sought.

The Issuer further points out that, since the Company does not have sufficient information about the full costs of subscription, further information in that respect will be provided as soon as it is available.

Report Date:

18 May 2017